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ORDINANCE NO.

**AN ORDINANCE DENYING A RATE CHANGE PROPOSED BY
CENTERPOINT ENERGY RESOURCES; REQUIRING REIMBURSEMENT OF
MUNICIPAL RATE CASE EXPENSES; AND PROVIDING NOTICE OF THIS
ORDINANCE TO CENTERPOINT ENERGY RESOURCES.**

BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF AUSTIN:

PART 1. On October 30, 2023, CenterPoint Energy Resources Corp., d/b/a/ CenterPoint Energy Entex and CenterPoint Energy Texas Gas (“CenterPoint”) filed a Statement of Intent with the City requesting approval to change gas customer rates in Austin and all municipalities exercising original jurisdiction within its Texas service areas and to consolidate its service areas (currently Beaumont/East Texas Division, South Texas Division, Texas Coast Division, and Houston Division) into one division for all of Texas.

PART 2. The City is participating in the review of CenterPoint’s rate filing with a coalition of similarly situated cities served by CenterPoint (the “Alliance of CenterPoint Municipalities” or “ACM”) to evaluate whether CenterPoint’s requested overall increase of \$37,400,000, increasing residential class customers by \$58,400,000 and decreasing commercial customers by about \$21,000,000, results in just and reasonable rates.

PART 3. The City, with other ACM cities, hired and directed legal counsel and rate consultants to prepare a common response to CenterPoint’s requested system-wide rate filing and proposed consolidation of service areas which resulted in a conclusion that CenterPoint’s Statement of Intent requests approval of rates that are not reasonable.

PART 4. CenterPoint’s Statement of Intent fails to show that its proposed rates are just and reasonable. In accordance with its authority under Chapters 103 and 104 of the Texas Utilities Code, finding that CenterPoint’s Statement of Intent fails to establish that its change in rates, requested increase in revenue, proposed rate base, expenses, investment, return on equity, and other rate issues, result in just and reasonable rates, the City Council hereby denies CenterPoint’s requested change in rates and increase in revenue.

PART 5. The City Manager is authorized to continue the City’s participation in the ACM and engage the services of rate counsel and consultants for ACM, including the ACM’s intervention in related proceedings before the Railroad Commission of Texas and any related proceedings in a court of law; and CenterPoint is directed to reimburse all rate case expenses incurred by the City.

PART 6. Notice of this ordinance shall be provided to CenterPoint.

PART 7. This ordinance takes effect on _____, 20____.

PASSED AND APPROVED

_____, 20____ § _____
§ _____
§ _____

Kirk Watson
Mayor

APPROVED: _____ **ATTEST:** _____
Anne L. Morgan Myrna Rios
City Attorney City Clerk